### REMARKS

The above-identified patent application has been amended and Applicants respectfully request the Examiner to reconsider and again examine the claims as amended in accordance with the provisions of 37 C.F.R §1.116.

Claims 1-9 are pending in the application. Claims 1 and 6-9 are rejected. Claims 2-5 are objected to. Claim 1 amended herein. Claims 2, 6, and 7 are amended herein for reasons of clarity and not for reasons of patentability, as will be apparent. Claim 9 is cancelled herein without prejudice.

Applicant's attorney would like to thank Examiner Whittington for the courtesy extended to Applicant's attorney during the telephone interview on November 28, 2006. Prior to the interview, Applicant's attorney submitted draft amended claims for discussion, in particular an amendment to Claim 1. The Examiner expressed that Claim 1 as amended for discussion should be allowable over the prior art of record in the case. Claim 1 is amended herein accordingly. Claim 9 was also discussed in view of a rejection under 35 U.S.C. §112, first paragraph. Applicant's attorney pointed out, and the Examiner recognized, that that the subject matter of Claim 9 is set forth in U.S. Patent No. 6,693,419, which is incorporated by reference in the present application. No agreement was reached with regard to Claim 9. Claim 9 is canceled herein accordingly. The Examiner expressed that he would review an Amendment as set forth above, without need for a Request for Continued Examination at this time.

## The Rejections under 35 U.S.C. §112, First Paragraph

The Examiner rejects Claims 9 under 35 U.S.C. §112, first paragraph, as failing to comply with the enablement requirement. Claim 9 is canceled herein.

In view of the above, the rejection under 35 U.S.C. §112, first paragraph, is now moot.

# Regarding Office Action Dated September 1, 2006

### The Rejections under 35 U.S.C. §103(a)

The Examiner rejects Claims 1 and 6-8 under 35 U.S.C. §103(a) as being unpatentable over Applicant's admitted prior art (AAPA) in view of Smith et al. (U.S. Patent number 5,451,946).

Claim 1 is amended herein in accordance with the Claim 1 submitted for discussion only prior to the above-mentioned telephone interview.

As the Examiner is aware, and as found in MPEP §2142, in order to establish a prima facie case of obviousness "...the prior art reference (or prior art references when combined) must teach or suggest all the claim limitations."

Applicants submit that amended Claim 1 is patentably distinct over the AAPA, whether taken alone or in combination with Smith et al., since the cited references neither describe nor suggest "... a summation circuit coupled to said first and said second digital-to-analog converters for providing said tracking signal as a sum of said first and said second output signals, wherein said tracking signal is controlled to include steps associated with the first step size when said magnetic field signal varies from said tracking signal by less than a predetermined amount and to include larger steps associated with the second step size when said magnetic field signal varies from said tracking signal by more than the predetermined amount," as set forth in Claim 1.

In view of the above, Applicants submit that Claim 1 is patentable over the AAPA in view of Smith et al.

Claims 6-8 depend from and thus include the limitations of Claim 1. Thus, Applicants submit that Claims 6-8 are patentably distinct over the cited references at least for the reasons discussed above in conjunction with Claim 1.

In view of the above, Applicants submit that the rejection of Claims 1 and 6-8 under 35 U.S.C. §103(a) should be removed.

### The Claim Objections

The Examiner objects to Claims 2-5 as being dependent upon a rejected base claim, but indicates that Claims 2-5 would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claim.

For the above reasons, Applicants submit that independent Claim 1, from which Claims 2-5 depend, is patentably distinct over the cited references. Therefore, Applicants submit that Claims 2-5 are allowable in their present dependent form.

In view of the above Amendment, Applicants submit that Claims 1-8 and the entire case are in condition for allowance and should be sent to issue and such action is respectfully requested.

It is submitted that this amendment places the application in condition for allowance or in better form for consideration on appeal, and thus, entry of this amendment is respectfully requested under the provisions of 37 C.F.R. §1.116.

The Examiner is respectfully invited to telephone the undersigning attorney if there are any questions regarding this Amendment or this application.

Dated: Npv 30, 2006

The Assistant Commissioner is hereby authorized to charge payment of any additional fees associated with this communication or credit any overpayment to Deposit Account No. 500845, including but not limited to, any charges for extensions of time under 37 C.F.R. §1.136.

Respectfully submitted,

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